**Foundation for the proposed distribution of net profit including on the dividends amount on shares of PJSC Kubanenergo**

The following allocation of the Company’s profit (losses) for 2019 reporting year was recommended for approval by the Annual General Meeting of Shareholders of PJSC Kubanenergo (hereinafter referred to as the Company) in accordance with the resolution of the Board of Directors of PJSC Kubanenergo (Minutes No. 386/2020 of April 30, 2020):

|  |  |
| --- | --- |
| **Name** | (thousand rubles) |
| Accumulated profit (accumulated losses) of the reporting period: | 2,428,011 |
| Distribute into: Reserve fund | 121,401 |
| Profit for development | 1,669,696 |
| Dividends | 636,914 |
| Repayment of losses for past years | 0 |

Payments are made on the basis of the following data:

In accordance with Clause 8.1. Section 8 of the Charter of the Company, the Company forms a reserve fund in the amount of 5 (five) percent of the authorized capital of the Company.

Regarding the results of 2019, the authorized capital amounted to 33,465,784 thousand rubles in accordance with RAS, the capital reserve amounted to 302,820 thousand rubles. In accordance with the requirements of the legislation of the Russian Federation (Section 35 of Federal Law of December 26,1995 No.208-FZ “On Joint Stock Companies”), the share of net profit in the amount of 121,401 thousand rubles will be allocated to the Company’s reserve fund (the amount of obligatory annual contributions to the reserve fund of the Company amounted to 5 (five) percent of the Company’s net profit) in order to achieve the level of the reserve fund, established by the Charter of the Company.

Regarding the results of 2019, the amount of dividends allocated for dividends on ordinary shares is determined in accordance with the Regulation on dividend policy of PJSC Kubanenergo (passed by the Company’s Board of Directors of the Company of January 31, 2018, Minutes No. 297/2018 of February 1, 2018) in accordance with the legislation of the Russian Federation (Decree of the Government of the Russian Federation of May 29, 2017 No. 1094-r).

Taking into consideration the rounding, the estimated amount of dividend payments based on the result of 2019 amounted to:

|  |  |
| --- | --- |
| Types of shares | Ordinary registered shares |
| Dividends, RUB | 636 914 102 |
| Number of shares, pcs | 334,657,837 |
| Amount of dividends per share, RUB | 1.90318 |
| Total amount of dividends, RUB | 636,914,102 |

Head of the Department of Economic S.M. Nekhaeva